

Commissioner of Income-Tax, Haryana etc. v. Krishna Copper Steel Rolling Mills, Jagadhri etc.

Civil Appeal No. 104 (NT) of 1979 (caption; judicial ending instead prints C.A. No. 1404/79) / Civil Appeal Nos. 1801–1804 of 1989 / Civil Appeal No. 6254 (NT) of 1990

[1991] Supp. 2 SCR 187 | 1991-11-12

Whether the mild-steel rods, bars and rounds produced by the respondent rolling mills qualified as iron and steel (metal) under the relevant scheduled entry for the historical higher development rebate and section 80-I relief.

33(1)(b)(B)(i)(a), historical | 80-I, historical | Fifth Schedule, item 1 (relevant schedule classification)

Three-judge bench | S. Ranganathan, J. | V. Ramaswami, J. | N.D. Ojha, J.

Assessment years: See the source-scope notes; no year inferred.

Historical classification; item 11 reserved and docket conflict preserved

This is a product-specific ruling under historical industrial-incentive provisions, with no stated assessment years. The item 11 alternative was expressly left undecided despite the headnote's broader wording. The report prints lead appeal 104/1979 in the caption and 1404/79 in the ending. No universal steel-product entitlement, present-law carryover or comprehensive later treatment is certified.

01 FACTS OF THE CASE

The respondent steel rolling mills manufactured mild-steel rods, bars or rounds. Their claims to the higher development rebate under section 33(1)(b)(B)(i)(a) and historical section 80-I relief depended on item 1, covering iron and steel (metal), ferro-alloys and special steels. The ITO rejected the claims, but the appellate authorities and High Courts accepted them. Revenue brought the grouped appeals against a background of conflicting High Court decisions (physical page 5/SCR 191).

The ending separately describes Krishna Copper and Steel Rolling Mills as making iron rods and girders from scrap first converted into billets. Its High Court relied on an aluminium-scrap circular by analogy. The Supreme Court agreed with that result for its own stated classification reasons. The source does not supply assessment years, rebate percentages, quantified claims or appeal-by-appeal monetary relief; its lead docket is printed inconsistently (physical page 16/SCR 202).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The Court distinguished the metal used as raw material from commercial articles fabricated from it. Earlier sales-tax decisions illustrated that distinction, but their different statutory settings did not mechanically settle the income-tax entry. The word metal did not confine the entry to ore or the first extraction from ore. Nor did the fact that rolling could constitute manufacture under another enactment answer which scheduled category the resulting product occupied (physical pages 6–9/SCR 192–195).

After considering technical accounts and the rival arguments, the Court used the history of incentives for basic industries to support a broad reading within the entry's wording. Bars, rods, rounds and wire rods of the kind discussed were finished forms of metal that supplied raw material for later articles. The decisive inquiry was the nature of the product, not whether an integrated steel mill or a separate rolling mill produced it. A departmental clarification denying the benefit merely because machinery was in a rolling mill could not justify that distinction; excise classifications were too differently directed to be imported automatically (physical pages 10–15/SCR 196–201).

Separate entries for forgings, castings and seamless tubes supported the metal/article distinction. Although the Court saw some force in an alternative item 11 argument for the assessee's goods, it expressly declined a concluded opinion because that ground had not been relied on earlier. The headnote omits this reservation and must not be used to turn the alternative into a holding (physical pages 15–16/SCR 201–202).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

Revenue's grouped appeals were dismissed, leaving the High Courts' favourable conclusions undisturbed. The goods at issue qualified on the Court's item 1 analysis for the historical reliefs raised. No order as to costs was made. The Court did not decide the alternative item 11 claim or compute any taxpayer's allowance (physical page 16/SCR 202).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assesseees

Grouped Revenue appeals dismissed; no order as to costs

Final reasoned classification ruling under the historical scheduled industrial incentives

Product-specific item 1 ruling; no automatic eligibility for all steel articles, every process or every later incentive. Item 11 alternative expressly undecided.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Identify what is actually produced and the language of the particular incentive entry before classifying an undertaking. The Court treated these finished forms of steel as raw material for further articles; it did not make the mill's name or another tax's manufacture test decisive. Its historical purpose-based reasoning remained bounded by the words of the entry.

Preserve the distinction between an accepted classification ground and an attractive but unpreserved alternative. The judicial reservation defeats the headnote's suggestion of a concluded item 11 entitlement. Likewise, the separate scrap-based appeal's favourable outcome should not be expanded into an unqualified rule for all girders or fabricated steel products. The historical sections, unidentified assessment years and later amendments require independent checking before any present application; no 2025 Act mapping or current allowance is certified.

Source: See the proposition-specific paragraph and PDF-page references below.

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, appeal grouping and disputed scheduled entry

Source url: [Open cited source](#)

Pdf pages: 1; 4; 5

Paragraphs: SCR 187, 190–191

Source role: reported metadata and judicial text

2.

Topic: Earlier sales-tax authorities and the income-tax metal/article distinction

Source url: [Open cited source](#)

Pdf pages: 6; 7; 8; 9

Paragraphs: SCR 192–195; unnumbered judicial text

Source role: judicial text

3.

Topic: Technical material and counsel submissions, separately attributed

Source url: [Open cited source](#)

Pdf pages: 10; 11; 12; 13

Paragraphs: SCR 196–199; unnumbered judicial text

Source role: judicial text

4.

Topic: Historical incentive background and product-not-mill test

Source url: [Open cited source](#)

Pdf pages: 13; 14; 15

Paragraphs: SCR 199 C–201 E; unnumbered judicial text

Source role: judicial text

5.

Topic: Reserved item 11 argument, scrap appeal and final dismissal

Source url: [Open cited source](#)

Pdf pages: 15; 16

Paragraphs: SCR 201 F-202 D; unnumbered judicial text

Source role: judicial text

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

S. Ranganathan, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

OTHER PROVISIONS AND THEIR DISTINCT SCOPE

Relevant schedule items 2, 7, 11 and 21, by comparison; item 11 alternative left undecided; Industries (Development and Regulation) Act, 1951, First Schedule, metallurgical industries; Finance Acts 1963-1966, historical incentive background only

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 16 PDF pages; SHA-256

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Editorial headnotes and case details on physical pages 1-5/SCR 187-191; complete S. Ranganathan J. opinion begins on page 5/SCR 191 and ends on page 16/SCR 202. Quoted earlier sales-tax opinions and technical literature on pages 6-12 are separately attributed. No adjacent judgment.

[Open cited source rendition](#)

The caption at physical page 4 prints Civil Appeal No. 104 (NT) of 1979, while the specific Krishna Copper discussion at page 16 prints C.A. No. 1404/79. Both are preserved without inventing an additional appeal or silently resolving the conflict.; No assessment year is supplied. The Finance Act years describe legislative background, not the years assessed in the grouped appeals.; Headnote holding 7 at physical page 3 presents an item 11 alternative without the judicial reservation carried across pages 15-16. The Court expressly left that alternative undecided.; The descriptions and quotations of Hiralal, Devi Dass and Hindustan Aluminium are earlier sales-tax reasoning. They are not new sales-tax holdings in this case.; The report labels certain conflicting High Court decisions approved or overruled in its editorial material. This note states the actual resolved classification and disposition without manufacturing a separate formal treatment order for every cited case.; The judicial ending specifically mentions rods and girders from scrap; the principal reasons concern the mild-steel rods, bars and rounds before the Court. No general modern product tariff classification is certified.

No assessment year for any appeal is stated in this source. The common ruling addresses the historical provisions at the relevant time; appeal years and Finance Act background years are not substituted for assessment years.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 or present-law certification. Apply the statutory text for the relevant year.

LATER TREATMENT

Source checked 2026-10-04. No comprehensive later-treatment search or present-law audit is certified. This batch relies only on the identified historical primary judgments.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 16](#)

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